

Mayor Warren's State of the City Address
February 3, 2014

Good Evening. First, I'd like to thank the citizens of Newton for giving our administration the opportunity to serve this great city and make it all it can be for another four years. I also want you all to thank the employees of the city for making it all it can be—give them a round of applause. And, I'd like to thank you, the Honorable Board, as well as the School Committee for working in partnership with us to ensure Newton achieves its full potential.

We know we have made tremendous progress over the last four years by dramatically changing how we do business. We have been rebuilding Newton's finances, infrastructure and operations not just by making decisions based on what's best for tomorrow, but by what will serve us best 5, 10, 20 and 30 years from now. We know that in order to build a sustainable, livable city for the 21st century we can't be afraid to make the difficult decisions today that are in the best interest of all of Newton in the future. That is how we think about our jobs when we come to work every day and serve you, the citizens of our city. We know Newton is successful because of our great school system, neighborhoods, solid city services, strong tax base and 13 unique villages that offer a variety of culture, arts and businesses.

We know that in order to meet those expectations now and in the future we must ensure financial sustainability by continuing the work we have started. Four years ago, financial projections of the previous administration showed we would have faced a \$41 million deficit today. In 2010 there was no emergency or rainy day fund in the city, our pension fund had suffered a significant loss in principal and our city had not even begun to address our other post-employment benefits. Four years ago, we also understood clearly that we had to get to work to settle all 17 contracts with our unions by using a key principle: holding compensation and health costs to 2.5% growth annually.

Tonight, as I stand before you, I can report that our Rainy Day Fund, which we created from scratch, now stands at \$13 million or 4% of our budget. Continuing to build this fund to \$17 million or 5% of our budget will be a top priority for my second term. Because of our honest, direct partnership with our city unions, we put in place historic contracts with all 17 unions, based on a growth rate of 2.5% in compensation and health care. We got this done because of the vision and leadership of our unions and the commitment we all have to moving the city forward. This changed our financial trajectory and helped to virtually eliminate our projected deficit. In order to maintain short and long term financial sustainability we must keep this construct in place in the future. OPEB—or retiree health insurance—is nothing new. What is new is that government entities such as Newton are now required to track, report and ensure that we prepare for this liability.

Therefore, in addition to our “pay-as-you-go” strategy for our current retirees, we have established an OPEB Trust Fund into which we are appropriating funds for all employees hired

after July 1, 2012. We currently have more than \$700,000 in the fund, which will grow exponentially over the next several years as our employee base turns over.

However, establishing and funding this trust is not enough. We must take measures to decrease the liability itself. Consequently, we will be taking additional steps in the coming years to ensure our long-term financial sustainability and reduce our OPEB liability.

The City of Newton Pension Plan covers approximately 3,500 active and retired employees. Prior to the recent downturn in the economy, the total unfunded liability was approximately 33%. However, as a result of a loss in principal in 2008, coupled with the fact that we are all living longer, the total unfunded liability has increased to almost 48% as of January 1, 2013. This increase in the unfunded liability is not unique to Newton, and consequently the Massachusetts State Legislature passed legislation enabling cities and towns to have until the year 2040 to “fully fund” retirement plans. The Newton Retirement board has put together a funding plan that will reach this goal by the year 2038. In the coming years we will grow our contribution towards our pension liability. Our administration will have a laser-like focus on all four of these important financial sustainability initiatives: our Rainy Day Fund, Collective Bargaining Agreements, OPEB and Pensions to ensure we maintain our triple-A bond rating, while making necessary investments in education, public safety and infrastructure so Newton maintains a great quality of life for future generations.

After the State of the City last year, the residents of this City recognized the need for improved infrastructure if we were to maintain our city as a desirable place to live. We are grateful that our citizens approved over \$140 million in capital building improvements, in addition to an annual \$1 million allotment for roads and sidewalks. I’m pleased to report that the override projects approved on the ballot last March are all on time and within our budget projections. Angier school construction is slated to begin this summer and renovations to the Carr school are on schedule to provide swing space for this project as well as future school projects. We are currently entering the site feasibility phase for renovations to the Zervas School and Cabot School has recently been accepted into the first stage of the MSBA process for funding as planned. This is all in addition to school projects like the 10 modulars installed on several elementary schools this summer to respond to the growing space crunch, and the F.A. Day Middle School addition of classrooms, administrative offices and a science lab. The results are impressive, and will allow children to learn and teachers to teach in the most effective manner possible. We have reviewed feasibility options and are now selecting a design and project team that will allow us to meet the needs for a 21st century fire station, headquarters and emergency operations center.

With a combined budget from the Override and Chapter 90 funds, the city has been able to do 50% more road work this year than last year. Public Works has paved an unprecedented amount of roadway this past summer with completion this coming spring of 23 roads, over 12,000 feet of new sidewalks installed and over 18,000 feet of sidewalk repair. We have installed over 40,000 feet of new bike lanes, and 181 accessible ADA compliant ramps citywide. A sustainable approach makes our streets complete for all residents: walkers, bikers, vehicles as well as the elderly and those with disabilities.

Our commitment to sustainable water and sewer infrastructure has improved miles of undersized water mains, improving the flow for firefighting equipment in the event such an incident occurs. This has a direct impact on our residents, both in improved safety and improved reliability, but also in lower insurance rates. In the past year we have continued to wisely invest in improving our sewer system as part of a 20-year master plan, removing vast amounts of clean rain water from the sewer pipes and directly reducing the amount citizens pay. It is estimated that this year alone Newton saved over \$600,000 in additional rate assessment by the MWRA. With the automated meter reading system in full operation, we can now turn our attention to accounting for water that we use and put down the sewer, compared to water with which we irrigate our lawns and gardens.

Our administration has been committed to environmental sustainability from day one. We know we can reduce our carbon footprint and save taxpayer money at the same time.

Last year we increased the generation of renewable energy with 2000 solar panels installed on four school rooftops generating over 800,000 kilowatts of clean, green electricity. By using this green resource we will save over \$ 800,000 over the 20 year life of the panels.

Last year we increased the generation of renewable energy with 2,000 solar panels installed on four school rooftops, generating 819,000 KhW of clean, green electricity. By using this green resource we will save over \$800,000 over the 20-year life of the panels. Since 2010 we have decreased our City's Greenhouse Gas emissions by 63% by purchasing all of our municipal electricity from renewable, wind power, conversion from oil heat to natural gas and conservation measures, which reduce our demand on the utilities. The result of these decisions is that the City is saving more than \$2 million each year—while the overall reduction in greenhouse gases is the equivalent of taking 2,700 cars off the road.

We have taken advantage of the green initiatives provided by the Patrick administration and received funding from the state to purchase our first all-electric vehicle. In addition, the City now has 2 charging stations and we will install 2 more as we continue to lessen our dependence on fossil fuels.

We are committed to re-establishing our street trees in a sustainable manner that supports our moniker as “the Garden City” by investing in a planting plan laid out in our capital plan, reversing the trend of losing about 600 trees per year. Due to the operational changes we've made and tree maintenance work we have done, the city has saved \$300,000 in emergency costs in the last year. We can be efficient and effective with taxpayer dollars and invest in the future.

Efficiency and effectiveness are critical in the delivery of all city services. We have been consistently working to be as responsive as possible by improving our 311 system and customer service in emergency and non-emergency operations.

We have had over 92,000 work orders completed online by residents and through customer service and last year we introduced a mobile app that allows smartphone users to report basic requests right from their phone, allowing the user to submit a photograph. The app also features a

built-in GPS, making it easier to pinpoint the exact location of the issue. We know there's more to do in this area and we will continue to work tirelessly to build on the progress we've made thus far.

Installation of the Citywide Fiber Optic Network as the foundation of the City's infrastructure is about to begin. It will be critical in enabling the City to build a disaster-prepared system capable of keeping financial systems, public safety and other critical data available in the event of catastrophe. It is also a vital component of the Newton Public School's ability to use technology in a smart way in the classroom.

We understand clearly that maintaining open space for passive and active recreation is important to Newton's future. We've made great progress in this area over the last year by signing a 99-year lease to convert an abandoned railway line along Needham Street to a greenway. It provides a link for pedestrian access to the business district and the residential neighborhoods. We worked in partnership with the upper falls area council, residents and businesses to make it happen. Thanks to all who collaborated to move the project forward. In the last year we have also embarked on a rehabilitation plan to bring the many playing fields Newton has to offer to a safe, playable condition on which our community can engage in healthy exercise and sports.

Our city must continue to build on its great reputation of being one of the safest in the country by ensuring our public safety officials have the equipment, training and person power to keep us safe. Last year we added modern technology and computers in our fire trucks, and a state-of-the-art truck to our fire department to provide better response times and more effective emergency response. We also have incorporated training spaces at fire stations for specific types of emergencies that will save lives. Our firefighters do an outstanding job protecting us every day, and it's up to us to make sure they have the equipment and resources they need to continue that.

This year our police department has added updated technology in our patrol cars and we have added four additional police officers to the ranks. I'm proud of the work the women and men of the police department do every day to keep us safe and look forward to making the necessary investment in additional officers and upgrading capital, technology and infrastructure in the department in the coming years.

Housing and economic development are key components to building a livable, sustainable city. We've done great work over the last four years building toward that end. The completion of Chestnut Hill square with Wegmans to open in the next few months, the addition of The Street, as well as the Commonwealth's funding of extensive Route 9 improvements have been transformative for the corridor. We eliminated the blight that existed on Route 9 and made it an attractive place to shop, live, work and do business. The Austin Street project in Newtonville continues to move forward and sets the stage for the first-of-its-kind reuse of a parking lot to afford smart growth with mixed use in a village center, bringing vitality, needed housing and business to the area. We look forward to collaborating with the Newtonville Area Council, businesses and residents to ensure the space meets its full potential. We will move on to the next phase of zoning reform so that we can create additional variety of housing and mixed-use development based on Newton's comprehensive plan, necessary to address Newton's housing and economic development needs in the next 20 to 30 years. Transportation and parking

planning in our city will be updated, integrated and modernized through updating our signalization and centralizing our parking management.

We also know if we work in a regional manner we will enhance our capacity to strengthen our economic base. Last year we initiated the N Squared initiative with the Newton Needham Chamber of Commerce to promote the Newton-Needham corridor as an attractive place for tech companies to start and grow their businesses.

We know that education is the bedrock of our community and is one of the main reasons for our success as a city. Newton remains one of the best education systems in Massachusetts because of the leadership of our Superintendent David Fleischman as well as the outstanding faculty and staff in our schools and classrooms. Due to passage of the override this year, we were able to add an additional 50 teachers and new classrooms which allowed us to lower class size.

With the advent of the common core standards and new more demanding assessments that are on the horizon, I'm confident that over the next few years our excellent educators will rise to the challenge. We also understand that social, emotional learning and development are essential to academic success. We will continue to collaborate with NPS as we develop our youth summits, provide first-rate programs for our students and expand our 21st century skills, internship program and inter-generational center over the coming year.

This year we will continue reaching out to every village in every section of the city to engage our residents by partnering with citizens, area councils and businesses and neighborhood organizations.

Beginning next month, we will start a series of meetups where we will invite the community to help us contribute toward building a sustainable model city for the 21st century. We will be announcing dates soon, and look forward to getting feedback directly from residents across the city.

We recently launched Village Views on our city's website so that residents can learn what's happening in their neighborhood on a regular basis as well as get information on city initiatives at the street level, city projects and what types of retail and restaurants are open in each village. It also gives us the chance to get feedback on how we are performing. Over the last year our city's Community Engagement team has done extraordinary work partnering with area councils, neighborhood groups and businesses in Newtonville, Nonantum and West Newton to improve community life in the villages at the ground level through infrastructure improvements, beautification and cultural activities including last year's wildly successful Newtonville Village Day.

Ladies and Gentlemen, citizens of Newton, the state of our city is strong. Over the last four years we have started down the path to building a sustainable, livable, model 21st century city. We will use data and demographics to understand the needs of our citizens and improve our performance

so that we make the right decisions—not just for our residents today, but our residents 20 to 30 years from now.

In order to move our great city forward we must not be afraid to make difficult decisions. We must be driven by evidence-based outcomes for our entire community. And we must work together to break down the natural silos that divide us, 13 villages one community. Thank you all for your love of Newton and I'm looking forward to working with you to make Newton reach its full potential. God Bless you, our city, the Commonwealth and the United States of America.